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August 28, 2003

To: Select County and District Superintendents
Select County and District Chief Business Officers
Charter School Directors of Newly Operational Charter Schools

From: Janet Sterling, Director
School Fiscal Services Division

Subject: Special Apportionment for Newly Operational Charter Schools

The California Department of Education (CDE) has made a special apportionment, of general purpose and categorical funds, to charter schools that are newly operational this fall. This apportionment is, in effect, an advance apportionment.

The amount is for the months of July 2003 through October 2003 and equals 34 percent of the charter school's projected total general purpose and categorical state aid funding for the 2003-2004 fiscal year. The special apportionment is based on the charter school's estimated current year second principal apportionment average daily attendance (ADA).

The apportionment will be adjusted in November for the months of November 2003 through January 2004 based on actual attendance as reported by the charter school for the first twenty (20) school days. This actual ADA must be reported to CDE not later than five business days immediately following the 20th school day in order to be eligible to receive special apportionment funding in November. We will provide the proper form for this attendance report within the next few weeks.

Charter schools that are funded pursuant to the block grant funding model should receive that portion of their funding that is in lieu of property taxes from the charter school's sponsoring local educational agency (LEA). *Education Code* Section 47632 defines the sponsoring LEA as the district that granted the charter, or in the case of a charter that was denied by a district and subsequently approved by a county office, the district that initially denied the charter. For a county office of education approved charter school for students who are referred by parental

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request pursuant to *Education Code* Section 1981(b), the sponsoring LEA is the district of residence of each pupil in the school. That means some county approved charter schools will have several sponsoring districts if the school has students who come from different districts.

For a charter that was denied by an LEA and subsequently approved by the State Board of Education, the sponsoring LEA is the LEA that initially denied the charter or the LEA designated by the State Board of Education pursuant to paragraph (1) of subdivision (k) of *Education Code* Section 47605.

For charter schools that elect to receive funding directly, *Education Code* Section 47651 provides that “the warrant shall be drawn in favor of the superintendent of schools of the county in which the local educational agency that approved the charter or was designated by the State Board of Education as the oversight agency pursuant to paragraph (1) of subdivision (k) of Section 47605 is located, for deposit to the appropriate funds or accounts of the charter school in the county treasury. The county superintendent of schools is authorized to establish appropriate funds or accounts in the county treasury for each charter school.” For all other charter schools, the funds shall be deposited in the appropriate funds or accounts of the local educational agency that granted the charter.

LEAs using the standardized account code structure (SACS) should account for the Charter School Categorical Block Grant using Resource Code 0000 and Revenue Object Code 8480. For LEAs not reporting in SACS, use Income Account Code 8480. LEAs using SACS should account for the General Purpose Entitlement using Resource Code 0000 and Revenue Object Code 8015. For LEAs not reporting in SACS, use Income Account Code 8015.

The amount apportioned to each participating charter school is available on CDE’s Web site under Principal Apportionments at www.cde.ca.gov/fiscal. Additional information about charter schools is available at that same Web site. If you have any questions about this letter or about funding for charter schools, please call James Kong at (916) 323-0498 or by e-mail at jkong@cde.ca.gov or Cindy Chan at (916) 324-4541 or by e-mail at cchan@cde.ca.gov.

JS:mc
Enclosures